

Brussels, March 17 2011

## Commission proposes reform of European Anti-Fraud Office (OLAF)

*Today, the European Commission adopted a proposal to reform the EU's Anti-Fraud Office, OLAF. The aim is to improve the efficiency, effectiveness and accountability of OLAF, while safeguarding its investigative independence. Since it was set up in 1999, OLAF has carried out around 4500 investigations and has contributed greatly to protecting the EU budget against fraudulent activity. Improvements are nonetheless needed to assist OLAF in performing to its full potential. The Commission is addressing certain key issues by proposing to strengthen OLAF's capacity to tackle fraud with maximum results. Included in today's proposal are measures to ensure that OLAF's investigations are conducted and followed-up more efficiently, to protect the rights of persons under investigation and to reinforce the cooperation between OLAF and its strategic partners in the fight against fraud. The proposal will now be forwarded to the European Parliament and Council for agreement under the co-decision procedure.*

Commissioner Algirdas Šemeta, responsible for Anti-Fraud, said: "OLAF is a cornerstone in the protection of the EU budget and the fight against fraud. Through this reform procedure, we intend to make it even stronger, more efficient and more capable, to the benefit of each and every European citizen."

Vice-President Viviane Reding, the EU's Justice Commissioner, said "Stronger procedural rules and safeguards are essential to develop fairer and more effective investigations, in the interest of protecting European taxpayers' money."

### Reinforcing accountability

An important aspect of today's proposal lies in the strengthening of the procedural guarantees (i.e. respect of fundamental rights) for any person under investigation by OLAF. All persons must be made aware of their rights when they are under investigation. These include the right for the person to have a summary of the issue under investigation and to make their views known before conclusions are drawn up, the right to be assisted by a person of his/her choice and the right to use the EU official language of their choice. There will also be a process of review in place for when procedural rights may have been violated. The Supervisory Committee will continue to monitor OLAF's activities, ensuring that its investigations are carried out in full independence and in line with the rules and procedures laid down.

## **Enhancing efficiency**

One of the problems in fighting fraud at EU-level at the moment is the disappointing level of judicial follow-up by some Member States on OLAF investigations. The Commission seeks to redress this problem by intensifying cooperation between OLAF and Member State authorities and providing for greater information exchange on cases and the related prosecutions. Each Member State is asked to designate a contact point, which would facilitate the cooperation of national authorities with OLAF. In addition, Member States should report, upon request, on the measures they have taken in response to OLAF's case reports.

To make OLAF more efficient in its own work, the Commission has proposed that if an investigation is not completed within 12 months, the Office should inform the Supervisory Committee of why it needs an extension of this deadline .

OLAF's Director General will continue to be ultimately responsible for deciding which investigations OLAF carries out. However, the Commission proposes that an internal body should be established within OLAF, to help with these decisions. In order to ensure optimal use of OLAF's resources, the proposal clarifies the "*de minimis*" rule for deciding on investigations. This means that OLAF should be guided by the financial impact of the suspected fraud when setting its operational priorities. Where it is more efficient, a case should be investigated at the level of the institution, agency, or body concerned, rather than by OLAF.

## **Improving cooperation**

The Commission underlines the need to maintain full independence for OLAF in its investigations. At the same time, there needs to be close cooperation and information exchange between the Anti-Fraud Office and the EU institutions, in order to ensure the best possible protection of the EU's financial interests. A flexible procedure for the exchange of views between OLAF and the European Commission, Parliament and Council is laid down. The aim is to allow the institutions to discuss OLAF's strategic priorities, and give their opinions on the effectiveness of the work being carried out by the Office. This will help to ensure that there is an overview of how OLAF is functioning and improved governance of the Office.

Given the high level of EU resources dedicated to external relations and international aid, OLAF's role in protecting the EU budget extends beyond the EU's borders. Cooperation between OLAF and international organisations and third country authorities is crucial for successful operations outside the EU. Therefore, the Commission proposes that OLAF should be mandated to conclude administrative arrangements with competent services in third countries, in coordination with the European External Action Service and the relevant Commission services.

Cooperation with the European Police Office (Europol) and the EU's judicial cooperation unit (Eurojust) is equally important and should be reinforced. Therefore, the Commission also proposes giving OLAF the mandate to conclude administrative arrangements with these two organisations.

For OLAF website, click [here](#).

For Commissioner Šemeta's website, click [here](#).

[Memo/11/176](#)